

**THE BRITISH OLYMPIC ASSOCIATION  
(Limited by Guarantee)**

**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 2000**

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**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**PATRON**

Her Majesty The Queen

**PRESIDENT**

Her Royal Highness The Princess Royal

**CHAIRMAN**

C C Reddie CBE

**VICE CHAIRMEN**

P M Pruszyński (resigned 17 November 2000)

A J Woods

J C U James

**OTHER DIRECTORS**

Dame M A Glen Haig DBE

R D A Dodds OBE

A M Clarkson FCA

P R Duchesne OBE (deceased 14 April 2000)

D M Ellis

B Cookson

I C B Taylor

D Hemery MBE (appointed 15 November 2000)

**CHIEF EXECUTIVE**

S P Clegg

**DIRECTOR OF FINANCE AND ADMINISTRATION**

N D R Aitken ACA

**HEADQUARTERS AND REGISTERED OFFICE**

1 Church Row

Wandsworth Plain

London SW18 1EH

**MAIN BANKERS**

Lloyds TSB Bank PLC

Central & West London

Floor 4

4/6 Copthall Avenue

London EC2R 7DA

HSBC plc

PO Box 648

Poultry & Princes Street

London EC2P 2BX

**AUDITORS**

Deloitte & Touche

Chartered Accountants

Hill House

1 Little New Street

London EC4A 3TR

**SOLICITORS**

Farrer & Co.

66 Lincoln's Inn Fields

London WC2 3LH

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

**PRINCIPAL ACTIVITIES**

The British Olympic Association (BOA) is involved in encouraging interest in the Olympic Games and fostering the aims and ideals of the Olympic Movement throughout Britain. It exploits its assets and connections with the Olympic Movement to generate income, which is expended to send the best possible Team to the Olympic Games.

Therefore, it is responsible not only for the organisation, and co-ordination, of Britain's participation in the Olympic Games but also for the technical development of the Team, its welfare and scientific and medical back up. It does this specifically in order to further the Team's accomplishments and thereby the Association's attractiveness as a promotional conduit for commercial organisations.

**REVIEW OF ACTIVITIES IN 2000**

The high point of the year under review was undoubtedly the participation in the Games of the XXVII Olympiad in Sydney, Australia, in what has been recognised as "the best Olympics ever" with the best results of any British Olympic team since Antwerp in 1920. The establishment of the Preparation Camp on Queensland's Gold Coast and in Brisbane by the BOA was a huge logistical and financial effort, which produced an ideal combination of comfort and world-class training facilities which were much appreciated by all who used them.

Throughout the year, all the BOA Departments were under pressure to complete their normal programmes of activity in addition to the challenges of preparing and taking over 600 people to the other side of the world. Sydney was the most expensive Games ever for the BOA and the success of the team was matched by the huge commercial and fund raising effort required to get them there.

Despite the concentration of effort on six operations for the Games themselves, 2000 saw a number of other initiatives come to fruition including the launch of Talk Olympic – an agency providing professional advice in after dinner and motivational speaking for high profile Olympians.

During the year, Salzburgerland became the focus of our aspirations to create a permanent training base for winter athletes in central Europe and extensive due diligence and analysis took place in the year with the aim that this much needed facility will be operational by mid 2001.

The end of the year marked ten years of investment by the Association in providing private medical insurance cover (Olympicare) for elite athletes at a cost of £1 million. Recognised by the United Kingdom Sports Institute as a critical component of athlete support, 550 athletes from the World Class Performance Programme are now funded by the Lottery on a new scheme managed by the Association. However, we continue to fund elite level athletes from those sports not supported by the Lottery.

There has been much analysis of British Olympic success and there can be no doubt that the impact of financial support to both athlete and Governing Body from the Lottery was of great assistance. However, with the Association continuing to enjoy its financial independence from Government and not receiving any Lottery funding, acknowledgement and credit must be given to those commercial organisations whose investment has allowed us to deliver unprecedented levels of support and service over this Olympiad. We are extremely grateful to all those volunteers and supporters who contributed to funding Team GB's participation in Sydney. After all it is athletes who win Olympic medals, the rest of us only help that effort.

## DIRECTORS' REPORT

### DONATIONS

During the year the company made the following donations:

	£
British Olympic Foundation	115,238
St. John's Ambulance	40
Scholarships	51,475
	<hr/>
	166,753
	<hr/>

### DIRECTORS

The directors of the company are shown in the list of officers and professional advisers on page 1.

### AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



S P Clegg

Chief Executive and Company Secretary

16 May 2001

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH OLYMPIC ASSOCIATION**

We have audited the financial statements of The British Olympic Association for the year ended 31 December 2000 which comprise the profit and loss account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

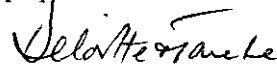
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants and Registered Auditors

16 May 2001

**INCOME AND EXPENDITURE ACCOUNT**  
**Year ended 31 December 2000**

	Note	2000 £	1999 £
<b>INCOME: continuing operations</b>			
Commercial income		4,517,863	2,617,098
Donations from appeals		1,618,366	70,174
Income from investments		119,670	152,204
Bank deposit interest		104,791	69,987
Members' subscriptions and affiliation fees		4,514	4,741
Profit on sale of investments		87,702	33,297
Scholarships		54,000	81,000
Olympic Solidarity Grants and Subsidies		602,968	24,619
Sundry income		192,970	92,131
		<u>7,302,844</u>	<u>3,145,251</u>
<b>EXPENDITURE: continuing operations</b>			
Winter and Summer Games		1,360,986	52,812
European Youth Olympic Days		291	67,023
Athlete liaison services		27,442	24,796
Direct expenditure on commercial activities		1,019,238	673,950
Technical services (including Holding Camp)		1,017,246	382,372
Sports Science and medical services (including Olympicare)		141,950	158,598
Grants and donations		166,753	176,125
Agency commission and release fees		614,360	55,000
General administration expenses		583,144	486,077
Staff costs (excluding appeals and sponsorship)	2	1,505,913	1,240,744
Auditors' remuneration: audit services		11,625	8,250
other services		6,850	3,638
Depreciation: owned assets	4	94,529	139,932
leased assets	4	6,058	40,559
Loss on disposal of fixed assets		929	12,797
Finance charge on leased assets		3,039	2,946
		<u>(6,560,353)</u>	<u>(3,525,619)</u>
<b>EXCESS/(DEFICIT) OF INCOME OVER EXPENDITURE FOR THE YEAR BEFORE TAXATION: continuing operations</b>			
		742,491	(380,368)
<b>TAXATION CHARGE</b>	3	<u>(14,262)</u>	<u>(10,586)</u>
<b>TRANSFERRED TO/ (FROM) RESERVES</b>	9	<u>728,229</u>	<u>(390,954)</u>

A statement of the movement on reserves is shown in note 9.

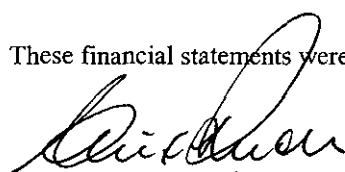
There are no recognised gains or losses for the financial year or the preceding financial year other than as shown in the income and expenditure account, therefore a statement of total recognised gains and losses is not given.



**BALANCE SHEET**  
**31 December 2000**

	Note	£	2000 £	£	1999 £
<b>FIXED ASSETS</b>					
Tangible assets	4		907,900		968,153
Investments	5		<u>2,129,373</u>		<u>2,415,917</u>
			3,037,273		3,384,070
<b>CURRENT ASSETS</b>					
Stocks	1	8,770		2,599	
Debtors	6	1,381,160		409,760	
Cash at bank and in hand		<u>1,322,096</u>		<u>2,645,407</u>	
		2,712,026		3,057,766	
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(1,417,055)</u>		<u>(2,828,890)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,294,971</u>		<u>228,876</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,332,244		3,612,946
<b>CREDITORS: amounts falling due after more than one year</b>	8		<u>(3,726)</u>		<u>(12,657)</u>
			<u>4,328,518</u>		<u>3,600,289</u>
<b>RESERVES</b>	9		<u>4,328,518</u>		<u>3,600,289</u>

These financial statements were approved by the Board of Directors on 16 May 2001.



C Reddie

Chairman

**CASH FLOW STATEMENT**  
**Year ended 31 December 2000**

<b>CASH FLOW STATEMENT</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Net cash (outflow)/inflow from operating activities (note A)	(1,860,648)	398,788
Returns on investment and servicing of finance (note C)	221,422	216,917
Taxation (note D)	(2,241)	2,365
Capital expenditure and financial investment (note E)	332,983	(53,392)
Net cash (outflow)/ inflow before financing	(1,308,484)	564,678
Financing (note F)	(14,827)	(27,685)
(Decrease)/increase in cash	<u>(1,323,311)</u>	<u>536,993</u>
<b>Reconciliation of net cash flow to movement in net funds (note B)</b>		
(Decrease)/increase in cash for the year	(1,323,311)	536,993
Cash inflow from decrease in lease financing	14,827	27,685
Change in net funds resulting from cash flows	(1,308,484)	564,678
New finance leases	-	(18,174)
Net funds at 1 January	<u>2,617,895</u>	<u>2,071,391</u>
Net funds at 31 December	<u><u>1,309,411</u></u>	<u><u>2,617,895</u></u>

NOTES TO THE CASHFLOW STATEMENT  
Year ended 31 December 2000**A. Reconciliation of excess/(deficit) of income over expenditure to net cash (outflow)/inflow from operating activities**

	2000 £	1999 £
Excess/(deficit) of income over expenditure before taxation	742,491	(380,368)
Gross income from investments received	(119,670)	(152,204)
Bank deposit interest received	(104,791)	(69,987)
Interest element of finance lease rental payment	3,039	2,946
Depreciation charges	100,587	180,491
Loss on disposal of fixed assets	929	12,797
(Increase)/decrease in stocks	(6,171)	841
Increase in debtors	(971,400)	(300,198)
(Decrease)/increase in creditors	(1,417,960)	1,137,767
Profit on disposal of investments	(87,702)	(33,297)
	<u>(1,860,648)</u>	<u>398,788</u>

**B Analysis of changes in net funds**

	31 December 1999 £	Cash flows £	31 December 2000 £
Cash at bank and in hand	2,645,407	(1,323,311)	1,322,096
Finance leases due within one year	(14,855)	5,896	(8,959)
Finance leases due after one year	(12,657)	8,931	(3,726)
Total	<u>2,617,895</u>	<u>(1,308,484)</u>	<u>1,309,411</u>

**C. Returns on investment and servicing of finance**

	2000 £	1999 £
Interest received	104,791	69,987
Investment income	119,670	149,876
Interest element of finance lease rental payments	(3,039)	(2,946)
	<u>221,422</u>	<u>216,917</u>

**D. Taxation**

	2000 £	1999 £
UK corporation tax (paid)/received	<u>(2,241)</u>	<u>2,365</u>

**NOTES TO THE CASHFLOW STATEMENT**  
**Year ended 31 December 2000****E. Capital Expenditure and financial investment**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(41,263)	(48,098)
Proceeds of disposal of tangible fixed assets	-	2,716
Purchase of investments	(619,122)	(534,324)
Disposal of investments	993,368	526,314
	<u>332,983</u>	<u>(53,392)</u>

**F. Financing**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Capital element of finance lease rental payments	<u>(14,827)</u>	<u>(27,685)</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

These accounts are prepared under the historical cost convention.

**Income**

Income from appeals and donations, commercial income, members' annual subscriptions, affiliation fees and investments is taken to income when received.

**Depreciation**

Depreciation of fixed assets is calculated to write off their cost over their estimated useful lives, which are considered to be:

Freehold property	-	50 years
Office furniture	-	10 years
Computer equipment	-	3 years

**Stocks**

Stocks representing clocks, ties, badges, etc. are valued at the lower of cost and net realisable value.

**Foreign currency**

Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange profits and losses arising during the year are dealt with through the income and expenditure account.

**Companies Act 1985**

The directors are of the opinion that the formats of profit and loss accounts prescribed by Schedule 4 of the Companies Act 1985 are not relevant to the Association due to the special nature of its operation.

**Pension fund costs**

The Association operates a defined contribution pension scheme. The pension costs represent the contributions payable to the pension scheme in respect of the accounting period.

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

**Leases**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000****2. EMPLOYEES AND DIRECTORS**

	2000 No.	1999 No.
The average number employed by the Association was:	51	49
The costs incurred in respect of these employees were:	£	£
Wages and salaries	1,640,863	1,340,584
Social security costs	142,540	115,634
Pension fund costs	77,287	87,943
	<u>1,860,690</u>	<u>1,544,161</u>

£354,777 (1999 - £303,417) of the above costs are included in Direct Expenditure on Commercial Activities.

Directors' emoluments during the year amounted to £138,844 (1999 - £10,119). Pension contributions of £12,580 (1999 - £566) were paid in respect of directors.

During the year the following transactions have taken place with businesses in which directors had an interest:

Payment for office facilities and other costs to D.L.Bloomer and Partners in which C.C.Reedie has a material interest - £18,000 (1999 - £18,000). In addition a payment was made to D.L.Bloomer and Partners for secretarial costs - £8,217 (1999 - £8,623).

Payment for office facilities and other costs to Pruszyński and Partners in which P.M.Pruszyński has a material interest - £6,000 (1999 - £8,000).

Payment for office facilities and other costs to Maltby Heating Engineers Ltd in which A.J.Woods has a material interest - £6,000 (1999 - £2,000).

As at 31 December 2000, related parties were owed a total of £244 representing expenses due to A. Woods. As at 31 December 1999, £18 was owed to A. Woods for expenses.

**3. TAXATION**

	2000 £	1999 £
United Kingdom corporation tax	19,949	8,258
Prior year adjustment	(5,687)	-
Tax suffered on franked investment income	-	2,328
	<u>14,262</u>	<u>10,586</u>

The Schedule D Case VI losses carried forward at the end of the period are approximately £4,700,000. A tax charge arises because these losses can not be used against investment income.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000****4. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Office furniture £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
Cost:				
At 1 January 2000	1,130,073	155,646	449,808	1,735,527
Additions	-	9,681	31,582	41,263
Disposals	-	(10,059)	(20,783)	(30,842)
At 31 December 2000	<u>1,130,073</u>	<u>155,268</u>	<u>460,607</u>	<u>1,745,948</u>
Depreciation:				
At 1 January 2000	291,141	99,161	377,072	767,374
Charge for the year	22,601	11,758	66,228	100,587
Disposals	-	(8,862)	(21,051)	(29,913)
At 31 December 2000	<u>313,742</u>	<u>102,057</u>	<u>422,249</u>	<u>838,048</u>
Net book value:				
At 31 December 2000	<u>816,331</u>	<u>53,211</u>	<u>38,358</u>	<u>907,900</u>
At 31 December 1999	<u>838,932</u>	<u>56,485</u>	<u>72,736</u>	<u>968,153</u>

The net book value of fixed assets includes £6,058 (1999, £21,425) in respect of computer and office equipment held under finance leases.

**5. FIXED ASSET INVESTMENTS**

	<b>Listed investments £</b>
Cost:	
At 31 December 1999	2,415,917
Additions	619,122
Disposals	(905,666)
At 31 December 2000	<u>2,129,373</u>
Balance sheet value:	
At 31 December 2000	<u>2,129,373</u>
At 31 December 1999	<u>2,415,917</u>
Market value:	
At 31 December 2000	<u>5,005,246</u>
At 31 December 1999	<u>5,671,339</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000****6. DEBTORS**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Trade debtors	436,173	284,203
Other debtors	138,155	34,369
Prepayments and accrued income	806,832	91,188
	<u>1,381,160</u>	<u>409,760</u>

All amounts are due within one year

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Trade creditors	157,639	235,886
Obligations under finance leases and hire purchase contracts	8,959	14,855
Corporation Tax	19,853	7,832
Other taxation and social security	87,341	112,572
Other creditors	419,751	29,469
Accruals and deferred income	723,512	2,428,276
	<u>1,417,055</u>	<u>2,828,890</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Obligations under finance leases and hire purchase contracts	<u>3,726</u>	<u>12,657</u>

The amounts payable under finance leases and hire purchase contracts are due for repayment within two to five years.

**9. RESERVES**

	<b>General reserve £</b>	<b>Development And Contingency Reserve £</b>	<b>Total £</b>
At 1 January 2000	1,600,289	2,000,000	3,600,289
Transfer from income and expenditure account	728,229	-	728,229
At 31 December 2000	<u>2,328,518</u>	<u>2,000,000</u>	<u>4,328,518</u>

The liability of the members on winding up is limited to £10 per voting member.